



Substitute Senate Bill No. 954

Public Act No. 09-210

***AN ACT CONCERNING PERSONAL SERVICE AGREEMENTS,
PURCHASE OF SERVICE CONTRACTS AND NONEMERGENCY
MEDICAL TRANSPORTATION SERVICES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 4-212 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

As used in sections 4-212 to 4-219, inclusive:

(1) "Competitive negotiation" means a procedure for contracting for services in which (A) proposals are solicited from qualified persons, firms or corporations by a request for proposals, and (B) changes may be negotiated in proposals and prices after being submitted.

(2) "Personal service contractor" means any person, firm or corporation not employed by the state, who is hired by a state agency for a fee to provide services to the agency. The term "personal service contractor" shall not include (A) a person, firm or corporation providing "contractual services", as defined in section 4a-50, to the state, (B) a "consultant", as defined in section 4b-55, (C) a "consultant", as defined in section 13b-20b, [providing services to the Department of Transportation,] (D) an agency of the federal government, of the state or of a political subdivision of the state, or (E) a person, firm or

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corporation providing consultant services for information and telecommunications systems authorized under subdivision (5) of subsection (c) of section 4d-2.

(3) "Personal service agreement" means a written agreement defining the services or end product to be delivered by a personal service contractor to a state agency, excluding any agreement with a personal service contractor that the state accounting manual does not require to be submitted to the Comptroller.

(4) "Secretary" means the Secretary of the Office of Policy and Management.

(5) "State agency" means a department, board, council, commission, institution or other executive branch agency. [of the Executive Department of the state government.]

Sec. 2. Section 4-214 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

[(a)] Each personal service agreement executed on or after July 1, 1994, and having a cost of not more than twenty thousand dollars and a term of not more than one year shall be based, when possible, on competitive negotiation or competitive quotations.

[(b)] Not later than thirty days after the end of each six-month period, beginning with the six-month period ending on December 31, 1994, each state agency shall submit a report to the secretary indicating (1) for each personal service agreement described in subsection (a) of this section that is executed during the six-month period, the name of the personal service contractor, a description of the services to be provided, the term and cost of the agreement and the method of selecting the contractor and (2) for each personal service agreement described in said subsection (a) that is in effect during the six-month period, the amount of all payments made during the six-month period

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to the contractor, by fund, and the amount of any federal or private funds allocated for such payments.]

Sec. 3. Section 4-215 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

[(a)] Each personal service agreement executed on or after July 1, 1994, and having a cost of more than twenty thousand dollars but not more than fifty thousand dollars and a term of not more than one year shall be based on competitive negotiation or competitive quotations, unless the state agency purchasing the personal services determines that a sole source purchase is required and applies to the secretary for a waiver from such requirement and the secretary grants the waiver. Not later than March 1, 1994, the secretary shall adopt guidelines for determining the types of services that may qualify for such waivers. The qualifying services shall include, but not be limited to, (1) services for which the cost to the state of a competitive selection procedure would outweigh the benefits of such procedure, as documented by the state agency, (2) proprietary services, (3) services to be provided by a contractor mandated by the general statutes or a public or special act, and (4) emergency services, including services needed for the protection of life or health.

[(b)] Each state agency shall submit the following information to the secretary concerning each proposed personal service agreement described in subsection (a) of this section, at the same time that it submits the agreement to the Commissioner of Administrative Services or the Attorney General: The name of the personal service contractor, a description of the services to be provided, the term and cost of the agreement, the method of selecting the contractor, the state fund from which the contractor will be paid and whether any federal or private funds will be allocated for such payments.]

Sec. 4. Subsection (b) of section 4-216 of the general statutes is

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repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) Each personal service agreement having a cost of more than fifty thousand dollars or a term of more than one year shall be based on competitive negotiation or competitive quotations, unless the state agency purchasing the personal services applies to the secretary for a waiver from such requirement and the secretary grants the waiver in accordance with the guidelines adopted under [subsection (a) of] section 4-215, as amended by this act.

Sec. 5. Section 4-218 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2009*):

(a) Not later than [thirty days after the end of each six-month period, beginning with the six-month period ending on December 31, 1994, each contracting agency shall submit a report to] October 1, 2009, and annually thereafter, the secretary shall submit a report to the General Assembly indicating (1) for each personal service agreement, pursuant to sections 4-214 to 4-216, inclusive, as amended by this act, and executed during [such six-month period with a person, firm or corporation providing "contractual services", as defined in section 4a-50, to the state, a "consultant", as defined in section 4b-55, or an agency of the federal government, of the state or of a political subdivision of the state] the preceding fiscal year, (A) the name of the [person, firm or corporation] personal service contractor, (B) a description of the services [to be] provided, (C) the term and cost of the agreement, and (D) the method of selecting the [person, firm or corporation] personal service contractor; and (2) for each such agreement either executed or otherwise in effect during the [six-month period] preceding fiscal year, (A) the amount of all payments made during the [six-month period to the person, firm or corporation, by fund] preceding fiscal year to the personal service contractor, and (B) the amount of any federal or private funds allocated for such payments. [No state agency utilizing

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contractual services hired by using a purchase order approved and committed by the State Comptroller shall be required to submit a report to the secretary.]

(b) Not later than [thirty days after the end of each six-month period, beginning with the six-month period ending on December 31, 1995, the Department of Transportation shall submit a report to] October 1, 2009, and annually thereafter, the secretary shall submit a report to the General Assembly indicating (1) for each agreement executed during [such six-month period with] the preceding fiscal year with a person, firm or corporation providing contractual services, as defined in section 4a-50, a consultant, as defined in section 4b-55, a "consultant", as defined in section 13b-20b, or an agency of the federal government, of the state or of a political subdivision of the state, (A) the name of the person, firm or corporation, (B) a description of the services [to be] provided, (C) the term and cost of the agreement and (D) the method of selecting the person, firm or corporation; and (2) for each such agreement either executed or otherwise in effect during the [six-month period] preceding fiscal year, (A) the amount of all payments made during the [six-month period] preceding fiscal year to the person, firm or corporation, [by fund,] and (B) the amount of any federal or private funds allocated for such payments.

[(c) Not later than September 1, 1995, and annually thereafter, the secretary shall submit a report to the General Assembly summarizing information received pursuant to subsection (b) of section 4-214, subsection (b) of section 4-215, subsection (a) of section 4-216, and subsections (a) and (b) of section 4-218 for the preceding fiscal year.]

Sec. 6. Section 4-70b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For purposes of this section:

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(1) "Purchase of service contract" (A) means a contract between a state agency and a private provider organization or municipality for the purpose of obtaining direct health and human services for agency clients and generally not for administrative or clerical services, material goods, training or consulting services, and (B) does not include a contract with an individual;

(2) "Secretary" means the Secretary of the Office of Policy and Management;

(3) "State agency" means any department, board, council, commission, institution or other executive branch agency of state government;

(4) "Municipality" means a town or any other political subdivision of the state, including any local or regional board of education or health district that is created or designated by the town to act on behalf of the town; and

(5) "Private provider organization" means a nonstate entity that is either a nonprofit or proprietary corporation or partnership which receives funds from the state, and may receive federal or other funds, to provide direct health or human services to agency clients.

[(a)] (b) The Secretary of the Office of Policy and Management shall establish an Office of Finance under the direction of an executive financial officer. The secretary shall assist the Governor in his duties respecting the formulation of the budget and the correlating and revising of estimates and requests for appropriations of all budgeted agencies and shall also assist the Governor in his duties respecting the investigation, supervision and coordination of the expenditures and other fiscal operations of such budgeted agencies.

[(b)] (c) Said secretary shall direct internal management consultant services to state agencies in such areas as administrative management,

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facility planning and review, management systems and program evaluation and such other special studies and analyses as he deems necessary.

[(c)] (d) The secretary shall establish uniform policies and procedures for obtaining, managing and evaluating the quality and cost effectiveness of direct health and human services purchased from [private providers] a private provider organization or municipality. The secretary shall require all state agencies which purchase direct health and human services to comply with such policies and procedures. [The secretary shall report to the General Assembly on or before January 1, 2008, and biennially thereafter, on the system for the purchase of such services in the state. The report shall include an analysis of (1) the relationship between the number of providers of a particular service in a region and the cost of the service, and (2) the impact of the state's policies and procedures for the purchase of health and human services on the cost of purchasing such services.]

[(d)] (e) Purchase of service contracts shall be subject to the competitive procurement provisions of sections 4-212 to 4-219, inclusive, as amended by this act. The secretary may waive the competitive procurement requirements set forth in chapter 55a with respect to any purchase of service contract between a state agency and a private provider of human services. [For purposes of this subsection, "purchase of service contract" means a contract between a state agency and a private provider organization or municipality for the purchase of ongoing direct health and human services for agency clients.]

[(e)] (f) In order to ensure continuity of care in the delivery of health and human services, on or before January 1, 2008, the secretary shall, in consultation with the Connecticut Nonprofit Human Services Cabinet and representatives of state agencies which provide health and human services, develop a plan for the competitive procurement of such services. On or before February 1, 2008, the secretary shall submit

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such plan to the joint standing committees of the General Assembly having cognizance of matters relating to human services and public health. In developing the plan the secretary shall give consideration to the following factors: (1) The current market rate for the services provided, (2) whether services provided by a new private provider assure the health, safety and well-being of service recipients, (3) whether services provided by a new private provider assure that community-based services are conveniently located and readily accessible for service recipients, (4) whether selection of a new private provider can avoid unnecessary challenges of local zoning law, and (5) whether selection of a new private provider can avoid creating a conflict with the current service provider's existing bonding contracts or placing the current service provider at risk for losing bonding investment. The secretary may implement such plan on or after July 1, 2008.

(g) No state agency may hire a private provider organization or municipality to provide direct health or human services to agency clients without executing a purchase of service contract with such private provider organization or municipality.

Sec. 7. Subsection (e) of section 17a-218 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(e) The commissioner may, within available appropriations and in accordance with individualized plans of care, provide a full range of services to support persons with mental retardation living with their families, caretakers, independently or in community-based residential facilities licensed pursuant to section 17a-227. Such services may include, but are not limited to, education and training programs, social services, counseling services, medical services, physical or occupational therapy, parent training, recreation and transportation. Such services may be provided by the department or be purchased

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from persons or private agencies through contracts pursuant to subsection [(c)] (d) of section 4-70b, as amended by this act, or purchased directly by the service recipient or his family. The department may provide a direct subsidy to persons with mental retardation or their families to be used for such purchases of such support services. The recipient of such subsidy shall provide a documented accounting of such subsidy to the department.

Sec. 8. Subsection (a) of section 17b-276 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(a) The Commissioner of Social Services shall identify geographic areas of the state where competitive bidding for nonemergency transportation services provided to medical assistance recipients to access covered medical services would result in cost savings to the state. For the identified areas, the Commissioner of Social Services, in consultation with the Commissioner of Transportation, the Commissioner of Public Health and the Secretary of the Office of Policy and Management, shall purchase such nonemergency transportation services through a competitive bidding process. Any transportation providers awarded a contract or subcontract for the direct provision of such services shall meet state licensure or certification requirements and the nonemergency transportation requirements established by the Department of Social Services, and shall provide the most cost effective transportation service, provided any contractor awarded a contract solely for coordinating such transportation services shall not be required to meet such licensure or certification requirements and provided the first such contracts for the purchase of such services shall not exceed one year. Prior to awarding a contract pursuant to this section, the Commissioner of Social Services shall consider the effect of the contract on the emergency ambulance primary service areas and volunteer ambulance services affected by

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the contract. The commissioner may limit the geographic areas to be served by a contractor and may limit the amount of services to be performed by a contractor. The commissioner may operate one or more pilot programs prior to state-wide operation of a competitive bidding program for nonemergency transportation services. By enrolling in the Medicaid program or participating in the competitively bid contract for nonemergency transportation services, providers of nonemergency transportation services agree to offer to recipients of medical assistance all types or levels of transportation services for which they are licensed or certified. Effective October 1, 1991, payment for such services shall be made only for services provided to an eligible recipient who is actually transported. A contract entered into pursuant to this section may include services provided by another state agency. Notwithstanding any provision of the general statutes, a contract entered into pursuant to this section shall establish the rates to be paid for the transportation services provided under the contract. A contract entered into pursuant to this section may include services provided by another state agency and shall supersede any conflicting provisions of the regulations of Connecticut state agencies pertaining to medical transportation services. Any contractor awarded a contract for coordinating nonemergency transportation services for medical assistance recipients, who also coordinates transportation services for nonmedical assistance recipients, shall disclose to any transportation provider, with whom it subcontracts to provide nonemergency transportation services under this section, the source of payment at the time the service is requested.

Sec. 9. (NEW) (*Effective July 1, 2009*) All brokers of nonemergency medical transportation services that are provided under contract with the Department of Social Services shall provide a decision on a request for prior authorization for hospital discharge nonemergency ambulance trips not later than three business days after the date a

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hospital or ambulance company submits the request for prior authorization to the broker. If the broker fails to communicate a decision on the request for prior authorization in accordance with this section, the request shall be deemed approved.

Approved July 8, 2009